

RECORDATION NO. 27066-0 FILED

JAN 18 '12 -9 33 AM

SURFACE TRANSPORTATION BOARD

FIRST UNION RAIL

One O'hare Centre
6250 River Rd, Suite 5000
Rosemont, IL 60018

Tel 847.318.7575
Fax 847 318.7588
www.firstunionrail.com

VIA UPS 2nd DAY AIR

January 12, 2012

Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Suite 100
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Section Chief:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) executed certified copies of a Memorandum of Lease Agreement dated July 29, 2011, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Surface Transportation Board under Recordation Number 27066.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Pinnacle Pellet Inc.
4252 Dog Prairie Road
Quesnel, BC
V2J 6K9 Canada


A description of the railroad equipment covered by the enclosed document is for fifteen (15) hopper cars having FURX and TQEX marks (see Exhibit A for car numbers).

A short summary of the document to appear in the index follows: Memorandum of Lease

Also enclosed is a check in the amount of \$41.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions regarding the above-referenced matter, please contact me at (847) 384-5397. Thank you for your cooperation in this matter.

Sincerely,



Marcia Dunne
Senior Documentation Specialist

Enclosures

(PIPE006)

JAN 18 '12 -9 35 AM

ASSGN. NO.: PIPE006

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE

29th THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the July day of 2011, by and between the Montreal branch of First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Pinnacle Pellet Inc. ("Lessee"), a British Columbia corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of March 19, 2007 whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 5 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of 29 July, 2011 and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum of Lease to be duly executed by their respective officers duly authorized as of the date and year first above written (and each of the undersigned declares under penalty of perjury that he or she holds the title indicated below and that the execution of this Memorandum was the free act and deed of its corporation).

LESSOR:

FIRST UNION RAIL CORPORATION

Name: Susan A. BarrieTitle: Regional Vice President, SalesSignature: **LESSEE:**

PINNACLE PELLET INC.

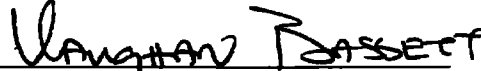
Name: Title: Vice PresidentSignature: 

EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Fifteen (15).

DESCRIPTION OF CARS: Covered hopper cars.

CAR NUMBERS:

FURX	870008
FURX	870016
FURX	870030
FURX	870034
FURX	870070
FURX	870082
FURX	870098
FURX	870103
FURX	870144
FURX	870316
FURX	870353
FURX	870403
FURX	870530
FURX	870531
TQEX	058024

STATE OF ILLINOIS)) SS
COUNTY OF COOK)

CERTIFICATION OF RECORDS

I, Susan Grokulsky, certify that I am the custodian of records for First Union Rail Corporation and that I have examined the attached copy of the Memorandum of Lease covering Rider No. 5 dated as of July 29, 2011, between First Union Rail Corporation (Lessor) and Pinnacle Pellet Inc. (Lessee), and that the same is a true and accurate copy of the original Memorandum of Lease relating to said lease.

Susan Grokulsky

STATE OF ILLINOIS)) SS
COUNTY OF COOK)

I, Georgia Freiburger, a Notary Public of the County and State aforesaid, certify that Susan Grokulsky personally appeared before me this day and acknowledged her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 12th day of January, 2012.

~~Notary Public~~

My Commission Expires:

6-2012
(Notary Public)

